Integra LifeSciences Announces Acquisition of Reconstructive Technologies, Inc.

Plainsboro, New Jersey, January 15, 2004 -- Integra LifeSciences Holdings Corporation (Nasdaq: IART) today announced that it has acquired the assets of Reconstructive Technologies, Inc. (RTI), the developer of the Automated Cyclic Expansion System (ACE SystemT), a tissue expansion device. RTI's technology encompasses a sophisticated and compact pump that produces a cyclic force when attached to ballooning tissue expanders. RTI's ACE System technology rapidly expands tissue by stimulating the body's natural response to physical stress on the skin.

There are over 100,000 tissue expansion procedures done in the U.S. each year, and Integra estimates that the current U.S. market for devices that promote tissue expansion exceeds $80 million. RTI has demonstrated in large animals the potential of the ACE System to reduce dramatically the time required for tissue expansion. If the technology demonstrates similar effectiveness in humans, it could significantly improve the efficiency of tissue expansion procedures, to the benefit of both patients and reconstructive surgeons. We expect to launch the product in the United States during 2005.

"The ACE System, once cleared in the United States, will be an important addition to our product offering for the burn and reconstructive plastic surgeon," said Stuart M. Essig, Integra's President and Chief Executive Officer. "Over the past five months, we have aggressively built the product offering of our plastic and reconstructive surgery sales force, as we acquired the assets of Tissue Technologies, introduced the Dermatome S, and resumed the sale, marketing and distribution of the INTEGRA Dermal Regeneration Template®."

Integra paid approximately $400,000 in cash and agreed to make certain future performance-based payments for the RTI assets. Integra will record the $400,000 payment as an in-process research and development charge in the fourth quarter of 2003.

It is estimated that there are more than one million reconstructive procedures performed by plastic surgeons each year. Reconstructive surgery, which is performed on abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors or disease, is most often used to improve function, but may also be performed to approximate a normal appearance. Integra has assembled a product portfolio that includes implants, devices, instruments, and systems used in plastic and reconstructive surgery, and for the treatment of burns.

Since our entry into the plastic and reconstructive market with the acquisition of Padgett Instruments in October 2002, we have more than doubled our plastic and reconstructive direct sales force, which now consists of more than twenty professionals in the United States and Europe. We have also more than doubled our product offerings for the plastic surgeon. In markets other than the United States and Europe, we sell these products through a network of distributors.

During 2003, the plastic and reconstructive sales force began selling the NeuraGenT Nerve Guide, a novel product for peripheral nerve repair procedures performed by the plastic surgeon. In August 2003, we acquired the assets of Tissue Technologies, Inc., the manufacturer and distributor of the UltraSoftT line of implants for facial soft tissue augmentation and other plastic and reconstructive surgery applications. We have also recently begun selling our Model S Dermatome, a lightweight, ergonomic, powerful instrument created to improve the skin graft yield and recovery experience for the surgeon. Integra now offers a versatile range of three electric dermatomes, including the Model S, designed specifically for burn surgeons. In addition, Integra resumed selling the INTEGRA Dermal Regeneration Template and the INTEGRA Bilayer Matrix Wound DressingT, tissue engineered collagen matrix products previously distributed by ETHICON, INC., a division of Johnson & Johnson.

The INTEGRA Dermal Regeneration Template is a bi-layer membrane system for skin replacement that received FDA approval in 1996. The INTEGRA product is indicated for the postexcisional treatment of life-threatening full thickness or deep partial thickness thermal injuries where sufficient autograft is not available at the time of excision or not desirable due to the physiological condition of the patient. The INTEGRA product is also indicated for the repair of scar contractures when other therapies have failed or when donor sites for repair are not sufficient or desirable due to the physiological condition of the patient. This product is the first successful replacement system that mimics all of the functions of the human skin. It provides immediate wound closure and permanent regeneration of the dermal layer of the skin.

The INTEGRA Bilayer Matrix Wound Dressing is an advanced wound care device made of a biodegradable collagen matrix that provides a scaffold for cellular invasion and capillary growth. The INTEGRA Bilayer Matrix Wound Dressing is indicated for the management of wounds including: partial and full thickness wounds, pressure ulcers, venous ulcers, diabetic ulcers, chronic vascular ulcers, surgical wounds (donor sites/grafts, post-Moh's surgery, post-laser surgery, podiatric, wound dehiscence), trauma wounds (abrasions, lacerations, second-degree burns, and skin tears) and draining wounds. This product allows broader indications for the use of Integra's collagen technology and creates a specific plastic and reconstruction opportunity in

trauma centers.

During 2004, Integra intends to continue to expand its plastics and reconstructive surgery business.

Integra LifeSciences Holdings Corporation is a diversified medical technology company that develops, manufactures, and markets medical devices for use in a variety of applications. The primary applications for our products are neuro-trauma and neurosurgery, plastic and reconstructive surgery and general surgery. Integra is a leader in applying the principles of biotechnology to medical devices that improve patients' quality of life. Our corporate headquarters are in Plainsboro, New Jersey, and we have manufacturing and research facilities located throughout the world. We have approximately 875 permanent employees. Please visit our website at (http://www.Integra-LS.com).

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements concerning expectations for future development of new products. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from predicted or expected results. Among other things, physicians' willingness to use Integra's products may affect the prospects for their use in clinical procedures. In addition, the economic, competitive, governmental, technological and other factors identified under the heading "Risk Factors" included in the Business section of Integra's Annual Report on Form 10-K for the year ended December 31, 2002 and information contained in subsequent filings with the Securities and Exchange Commission could affect actual results.

Source: Integra LifeSciences Holdings Corporation

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